VZCZCXRO2447 RR RUEHCHI RUEHCN RUEHDT RUEHHM DE RUEHJS #0016/01 0440910 ZNR UUUUU ZZH R 130910Z FEB 09 FM AMCONSUL SURABAYA TO RUEHC/SECSTATE WASHDC 0364 RUEHJA/AMEMBASSY JAKARTA 0349 INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS RHHMUNA/HQ USPACOM HONOLULU HI RUEHBY/AMEMBASSY CANBERRA 0175 RUEHWL/AMEMBASSY WELLINGTON 0155 RHMFISS/DEPT OF ENERGY WASHINGTON DC RUCPDOC/DEPT OF COMMERCE WASHINGTON DC RUEHJS/AMCONSUL SURABAYA 0370

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SENSITIVE SIPDIS

DEPT FOR EAP, EAP/MTS, INR/EAP, AND EB/ESC/IEC DOE FOR CUTLER/PI-32 AND NAKANO/P-42 COMMERCE FOR USDOC 4430

E.O. 12958: N/A

TAGS: ECON EPET EINV ELAB ENRG PGOV ASEC ID SUBJECT: EAST JAVA MUDFLOW UPDATE: U.S. ADVISOR BUILDING RELATIONSHIPS; SUBSIDENCE AND FUNDING PROBLEMS LIMIT OPTIONS

REF: A. 08 SURABAYA 138 (AND PREVIOUS) ¶B. 08 SURABAYA 132

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11. (SBU) Summary: After almost two months on site, the U.S. mud advisor Van Williams has built a strong working relationship with officials at the Sidoarjo Mud Management Agency (BPLS). The collapse of a major directional dike at the mudflow's epicenter has hampered BPLS's efforts to move large quantities of mud out to sea via the Porong River during the ongoing rainy season. BPLS and Williams would like to reinstall seismic monitors to help predict the rate of subsidence in the affected area, especially to the populated north and west of the site. Cash-strapped Lapindo, responsible for financing the BPLS operation, is unable fully to fund necessary maintenance or purchases of critical equipment. BPLS has been able to keep the situation "kind of under control," but is fighting a losing battle as the volume of mud coming out of the ground exceeds the volume BPLS can move. End Summary.

Excellent Cooperation

- $\underline{\ }$ 12. (SBU) USG-funded mud advisor Van Williams has been working with BPLS officials at the Sidoarjo mud flow site since mid-December 2008 (Ref A). During his first two months, Williams has developed an excellent cooperative working relationship with BPLS officials and local technical advisors. He observed to ConGen Surabaya that numerous expert Indonesian scientists and engineers have done detailed investigations and compiled data on the mud flow. The tremendous amount of engineering work being done at the site has largely succeeded so far in containing the dynamic and constantly changing mud flow and preventing additional damage to the surrounding communities. This containment is threatened by accelerating land subsidence that continuously undermines the central control dikes and directs the mud in undesirable directions. The difficulty is compounded by only partial implementation of the internal mitigation plans prepared by BPLS due to decreased funding from Lapindo.
- 13. (SBU) BPLS has had its hands full since the rainy season began and Lapindo's parent company the Bakrie Group suffered

significant financial losses (Ref B). When the internal dikes directing mud toward the Porong River collapsed, BPLS lost the ability to control the direction of the mud flow. Rather than flowing south toward the pumps, the mud began flowing north and west, toward the areas of greatest subsidence but also towards major infrastructure and heavily populated areas. A factory, which had been surrounded yet untouched by mud, found itself inundated with muddy water as the mud overtopped protective dikes. Within recent days, mud has built up sufficiently to start pushing the mud and water southward toward the pumps, although this change of course is from excessive buildup elsewhere in the mud flow area, rather than a fully positive development.

Subsidence Draws Mud Toward Infrastructure

- 14. (SBU) Subsidence levels on the western side of the site, where the major road and railroad run, are very high. In between trains, workers jack up the rail lines and insert rock ballast to keep the railroad linking Surabaya's port to industrial areas to the east operational. Methane releases along the western side are also heavier than in other areas. Williams identified two types of subsidence: shallow compaction caused by the weight of the dikes and mud atop foundations of weak soil, and deep-rooted subsidence caused by the mud coming up from great depth and leaving space behind. BPLS and Williams hope that seismic monitors can be reinstalled to help officials get a better picture of the deep geologic structures controlling subsidence. Williams expressed concern that the water and methane eruptions in West Siring and areas to the west and north of the containment zone could connect far underground and create new vents for mud to erupt outside the existing dikes.
- 15. (SBU) BPLS is focused on managing the mud flow and giving officials sufficient time to relocate critical infrastructure. The land in this area is only two meters above sea level and

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sinking more quickly than land closer to the sea. Williams predicted the village of West Siring, and the existing road and railroad, may eventually be overwhelmed by the mud, but no one could know when that would happen. Officials told Williams that 50% of the land, primarily agricultural land, needed for a new transportation corridor to the west of the site had been purchased. However, officials admitted that they were encountering resistance from landowners in urban areas.

Operational Funding Inadequate

16. (SBU) BPLS officials complain that, while Lapindo does not directly refuse to fund BPLS recommended mitigation measures, it provides only a fraction of the money necessary to maintain operations. While BPLS says it needs 100 trucks of dirt a day to maintain existing dikes, Lapindo provides only half that number. Pumps needed to move mud from the holding ponds into the Porong River have been ordered, but delivery is on hold until Lapindo provides the cash. BPLS continues to push for the central government to take over funding its operations arguing that half-measures will eventually have serious consequences.

Looking Ahead

17. (SBU) Looking forward, Williams is working to deepen the dialogue between the U.S. Geological Survey, U.S. Corps of Engineers, and BPLS. Besides technical questions such as continued chemical sampling to anticipate and predict potential changes in eruption pattern. BPLS has requested USGS help in identifying the source of the mud flow's energy as an aid to predicting the likely duration of eruptions so that realistic long-range mitigation plans can be developed. Williams feels this is a contribution USGS is uniquely qualified to make. Regardless of who will eventually assume the responsibility for long-term hazard control of the mud flow, such information is

vital for success. MCCLELLAND